

Revenue should be recorded whenever merchandise is sold, regardless when cash is collected.

A retail business is required to collect sales tax from its customers.

-Sales tax is owed to the government.

Those businesses that do not have to pay tax are considered **Tax Exempt**.

The accounts in the Sales Journal are all posted separately in the general ledger.

***Accounts Receivable Debit - Posted Individually to Accts. Rec. Ledger**

Iowa Sales Tax Guide

Sales Tax Rates

Guide for Businesses

Taxable Services

Starting a Business

Filing State Sales Tax

Iowa Sales Tax

Semi-monthly: more than \$5,000 tax/month

Monthly: more than \$500 tax/month;

Quarterly: less than \$500 tax/month

Annual: less than \$120 tax/year

SALES JOURNAL

PAGE		JOURNAL				3		4		5		6	
DATE		ACCOUNT TITLE		DOC. NO.	POST. REF.	ACCOUNTS RECEIVABLE				SALES CREDIT		SALES TAX PAYABLE CREDIT	
						DEBIT	CREDIT						
1													
2													

SALES JOURNAL								PAGE	
		1		2		3			
DATE		ACCOUNT DEBITED	SALE NO.	POST. REF.	ACCOUNTS RECEIVABLE DEBIT	SALES CREDIT	SALES TAX PAYABLE CREDIT		
1									1

JOURNALIZING SALES ON ACCOUNT

March 2. Sold merchandise on account to Tennis Castle, \$1,800.00, plus sales tax, \$144.00; total, \$1,944.00. Sales Invoice No. 176.

Accounts Affected	Classification	Change	Entered
Accounts Receivable	Asset		Debit side
Sales	Revenue	Increased	Credit side
Sales Tax Payable	Liability	Increased	Credit side
		Increased	

GENERAL LEDGER

Accounts Receivable

normal balance

↑ 1,944.00

Sales

normal balance

↑ 1,800.00

Sales Tax Payable

normal balance

↑ 144.00

ACCOUNTS RECEIVABLE LEDGER

Tennis Castle

normal balance

↑ 1,944.00

JOURNALIZING SALES ON ACCOUNT

SALES JOURNAL									
PAGE 7									
1		2				3			
DATE	ACCOUNT DEBITED	SALE NO.	POST. REF.	ACCOUNTS RECEIVABLE DEBIT	SALES CREDIT	SALES TAX PAYABLE CREDIT			
1 ²⁰⁻ Mar.	2 Tennis Castle	176		194400	180000	14400	1		
2							2		

1. Date
2. Customer Number
3. Sales invoice Number
4. Sales Amount Plus Sales Tax
5. Sale Amount
6. Sales Tax Amount

POSTING FROM A SALES JOURNAL TO AN ACCOUNTS RECEIVABLE LEDGER

SALES JOURNAL

PAGE 7

		1		2		3			
DATE	ACCOUNT DEBITED	SALE NO.	POST. REF.	ACCOUNTS RECEIVABLE DEBIT	SALES CREDIT	SALES TAX PAYABLE CREDIT			
1 ²⁰⁻⁻ Mar.	2 Tennis Castle	176	190	194400	180000	14400	1		
2							2		

CUSTOMER Tennis Castle

CUSTOMER NO. 190

DATE	ITEM	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE
²⁰⁻⁻ Mar.	1 Balance	✓			76200
	2	S7	194400		270600

1

2

3

4

5

1. Date

2. Journal Page Number

3. Amount

4. New Balance

5. Customer Number

POSTING FROM A SALES JOURNAL TO A GENERAL LEDGER

SALES JOURNAL						
1			2		3	
DATE	ACCOUNT DEBITED	SALE NO.	POST. REF.	ACCOUNTS RECEIVABLE DEBIT	SALES CREDIT	SALES TAX PAYABLE CREDIT
31	Lincoln High School	264		904 00	904 00	
31	Totals			71145 00	67821 00	33240 00
				(1125)	(4105)	(2140)

ACCOUNT Accounts Receivable						
				ACCOUNT NO. 1125		
DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
30		G3		240 00	59816 00	
31		S9	71145 00		130961 00	

ACCOUNT Sales						
				ACCOUNT NO. 4105		
DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28		S6		86926 00	302781 00	
Mar. 31		S9	67821 00		370602 00	

ACCOUNT Sales Tax Payable						
				ACCOUNT NO. 2140		
DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
31		CP8	67821 00			
31		S9		33240 00		33240 00

1. Single Line
2. Date
3. Word *Totals*
4. Totals
5. Double Line
6. Post Each Special Column Total
7. Journal Page Number
8. Account Number